



STATE OF TENNESSEE

Department of Finance and Administration, Bureau of TennCare

**AMENDMENT # 4**

**RFP # 318.65-211**

**November 13, 2007**

The subject RFP is hereby amended as follows.

**A. The following RFP Schedule of Events updates or confirms scheduled RFP dates.**

EVENT		TIME	DATE	UPDATED/ CONFIRMED
1.	State Issues RFP		9/12/2007	CONFIRMED
2.	Disability Accommodation Request Deadline		9/19/2007	CONFIRMED
3.	Pre-proposal Conference	1:00 p.m. CDT	9/21/2007	CONFIRMED
4.	Notice of Intent to Propose Deadline		9/25/2007	CONFIRMED
5.	Written Comments Deadline		10/1/2007	CONFIRMED
6.	State Responds to Written Comments		10/25/2007	CONFIRMED
7.	Proposal Deadline	2:00 p.m. CST	12/3/2007	CONFIRMED
8.	State Completes Technical Proposal Evaluations		12/17/2007	CONFIRMED
9.	State Opens Cost Proposals & Calculates Scores	9:00 a.m. CST	12/18/2007	CONFIRMED
10.	State Issues Evaluation Notice & Opens RFP Files for Public Inspection	9:00 a.m. CST	1/18/2008	CONFIRMED
11.	Contract Signing		1/21/2008	CONFIRMED
12.	Contract Signature Deadline		1/22/2008	CONFIRMED
13.	Performance Bond Deadline		1/29/2008	CONFIRMED
14.	Contract Start Date		2/1/2008	CONFIRMED

**B. Add the following language to Attachment 6.1, ProForma Contract, Section E.**

**E.27. Limitation of Liability.** The parties agree that the total liability of the Contractor for breach of this Contract shall not exceed two (2) times the value of this contract. The value shall be established by the Contract Maximum Liability in Section C.1 and increased by subsequent amendments, if any. The foregoing provision shall not limit the contractor's liability for intentional torts, criminal acts or fraudulent conduct.

**C.1 Delete ProForma Contract Section A.5.6.5. in its entirety and replace with the following:**

**A.5.6.5. System Reliability and Performance Standards**

The Contractor shall, at all times, comply with system and operational performance requirements and standards specified in this Contract including, but not limited to, the performance commitments as they refer to the TCMIS and its operations and the use of Facilities Manager services.

The performance commitments (refer to Attachment 6.1.2.) contain specific system and operational performance requirements the Contractor shall adhere to for the term of this Contract. Failure to comply with these requirements may result in liquidated damages. System and operational performance requirements are provided in this Contract for various functions, including, but not limited to, the following:

- A.5.6.5. 1. Business Hours of Operation
- A.5.6.5. 2. System availability and processing times
- A.5.6.5. 3. Report generation and availability
- A.5.6.5. 4. Deliverable turnaround timeframes
- A.5.6.5. 5. Error rates
- A.5.6.5. 6. Processing times
- A.5.6.5. 7. Report generation and availability
- A.5.6.5. 8. Quality of operations
- A.5.6.5. 9. Prevention of errors in payments
- A.5.6.5. 10. Help Desk Operations
- A.5.6.5. 11. Incident Resolution
- A.5.6.5. 12. Data and System Recovery
- A.5.6.5. 13. Database archival requirements

The Contractor shall also provide appropriate functions and protocols necessary to ensure system reliability and recovery, including, but not limited to, telecommunications and networking reliability, file backups, and disaster recovery.

**C.2. Delete Section 6.1.2.1 through Section 6.1.2.2.3.9 of Pro Forma Contract 6.1.2 Attachment 2 and replace with the following sections:**

**6.1.2.1. Contractor Incentive - Performance-Based Contract and Damages**

To effectively manage contractual performance, the Bureau must establish measures to evaluate the Contractor's obligations with respect to the requirements. The Contractor is expected to perform according to a certain level of standards. If these standards are not met, the State is entitled to impose damage assessment stratagems and institute dispute resolutions. These measures are meant to effect performance incentives for the Contractor and to support all activities required to operate and enhance the TCMIS infrastructure.

#### 6.1.2.1.1. Contractor Incentive - Performance Management and Measures

The Contractor shall be measured in all of the business functional areas for quality system and operational performance, based upon criteria developed by the Bureau.

These criteria shall:

- Improve the quality of Contractor performance;
- Provide documented performance levels in all critical areas of the system;
- Improve the management of the Contractor's Contract; and
- Improve the State and federal government return on investment for administration of the TennCare program.

The Bureau shall identify areas of Contractor performance where quality is critical to the mission of the TennCare Program.

During Contract implementation, the Bureau shall reach agreement with the Contractor concerning the critical areas of performance, performance standards, and levels of quality that are desirable, acceptable and substandard. The agreement concerning critical areas of performance, performance standards, and levels of quality, between the Contractor and the Bureau, shall be reached ninety (90) days prior to the start of operations. If an agreement is not reached during this time, the incentives shall not take effect on the start of operations. Additionally, the annual incentive shall be decreased by one-fourth (1/4) for any quarter when the incentive is not effective at the beginning of the quarter. The effective date of the incentive shall be the later of the start of operations or ninety (90) days after the agreement between the Bureau and the Contractor concerning critical areas of performance, performance standards, and levels of quality. The agreement shall be memorialized in an official correspondence that shall be filed with the Department of Finance and Administration, Office of Contract Review, and with the Comptroller of the Treasury.

The Contractor shall develop and/or install a Performance Reporting System as a means to measure quality levels on a monthly basis.

The Bureau shall establish a range for Contractor performance for high quality, acceptable quality, and performance that shall require corrective action on the part of the Contractor.

During the course of the Contract, performance standards shall be measured by the Bureau, using the Performance Reporting System.

Bureau Contract Management shall actively participate with the Contractor in using the Performance Reporting System and shall approve the results recorded.

#### 6.1.2.1.2. Approach to Performance Standards and Damages

6.1.2.1.2.1. The Bureau shall identify areas of Contractor performance where quality is critical to the mission of the TennCare Program. For example, a Provider Report Card may be developed with key indicators for measuring Customer Service performance levels, provider enrollment turnaround timeframes, and/or satisfaction with training provided at workshops.

6.1.2.1.2.2. During Contract implementation, the Bureau shall reach agreement with the Contractor concerning the critical areas of performance, performance standards, and levels of quality that are desirable, acceptable and substandard for each area. The Bureau and Contractor shall develop means to measure those critical areas of performance, performance standards, quality levels on a monthly basis, using the Performance Reporting System. The agreement concerning measurement of the critical areas of performance, performance standards, and levels of quality between the Contractor and the Bureau, shall be reached ninety (90) days prior to the start of operations. If an agreement is not reached during this time, the incentives shall not take effect on the start of operations. Additionally, the annual incentive shall be decreased by one-fourth (1/4) for any quarter when the incentive is not effective at the beginning of the quarter. The effective date of the incentive shall be the later of the start of operations or ninety (90) days after the agreement between the Bureau and the Contractor

concerning the measurement of critical areas of performance, performance standards, and levels of quality. The agreement shall be memorialized in an official correspondence that shall be filed with the Department of Finance and Administration, Office of Contract Review, and with the Comptroller of the Treasury.

- 6.1.2.1.2.3. The Contractor shall provide an automated method for TCMIS and other system/operations tools used to provide the monthly reports of the quality measurements agreed upon by the Bureau and the Contractor at no additional programming cost to the Bureau.
- 6.1.2.1.2.4. The automated reports shall be flexible and adaptable to changes in the quality measurements as agreed upon by the Bureau and Contractor through a rules-based engine, or component of a rules-based engine, in the TCMIS.
- 6.1.2.1.2.5. During the term of the Contract, the Contractor shall measure performance using the Performance Reporting System. Bureau Contract Management staff shall actively participate with the Contractor in the performance reporting process and shall approve the results recorded.
- 6.1.2.1.2.6. Critical areas of performance, performance standards, levels of quality, and the associated measurements shall be reviewed by the Bureau and the Contractor on a quarterly basis to assess any critical areas of performance, performance standards, levels of quality, or any associated measurements that should be changed, added or deleted for the next reporting period. The review of the critical areas of performance, performance standards, levels of quality and associated measurements shall be completed and agreed upon at least forty-five (45) days prior to the beginning of the subsequent quarter. If an agreement is not reached at least forty-five (45) days prior to the beginning of the subsequent quarter, the incentive shall not be effective the subsequent quarter. Additionally, the annual incentive shall be decreased by one-fourth (1/4) for any quarter when the incentive is not effective at the beginning of the quarter. The agreement shall be memorialized in an official correspondence that shall be filed with the Department of Finance and Administration, Office of Contract Review, and with the Comptroller of the Treasury.
- 6.1.2.1.2.7. At the end of each reporting period, the Performance Reporting System results shall be posted on the TennCare intranet.
- 6.1.2.1.2.8. An independent, accredited auditing firm shall review all audit reports on an annual basis.
- 6.1.2.1.2.9. The Bureau shall monitor the Contractor's performance using a Performance Reporting System. This is an effective way to monitor the quality of the Contractor's performance, document performance levels in all critical areas of the system, facilitate the management of the Contractor's Contract and enhance the investment made by the State and federal government in the administration of the TennCare Program.

Each performance measure shall have its own scoring mechanism established through negotiation with the Contractor and the Bureau and shall consist of scoring elements totaling one hundred (100) points. For each of the performance measures, the number of points scored shall determine a quality score, as follows:

94 to 100 points	=	Significantly Exceeds Contract Requirement
86 to 93 points	=	Exceeds Contract Requirement
78 to 85 points	=	Meets Contract Requirement
70 to 77 points	=	Partially Meets Contract Requirement
Below 70 points	=	Does Not Meet Contract Requirement

A corrective action shall be required for performance measures that score seventy-seven (77) or below.

Liquidated and actual damages may be assessed for performance measures that are not resolved based on the Contractors corrective action plan.

#### 6.1.2.1.3. Right to Assess Damages

The Bureau may assess damages based on evaluations of the Contractor's success in meeting required performance standards by the Bureau Contract Administrator. The Contractor shall agree to or challenge the reimbursement to the Bureau for actual damages or the amounts set forth as liquidated damages.

If the Contractor disagrees with the damage assessment, the following resolution steps shall be followed:

- 1) Contractor management may first discuss the issues verbally with Bureau management.
- 2) Contractor management may submit a written document to propose a corrective action plan to remedy the deficiency.
- 3) The Bureau may elect to present the issue to the Deputy Commissioner of TennCare and ask that they meet with Contractor management for issues resolution or damage assessment.
- 4) If damages can be measured in actual cost, they shall be referred to as actual damages. If the damages are difficult to measure or cannot be measured in actual cost, they shall be referred to as liquidated damages.
- 5) The Bureau shall notify the Contractor in writing of the proposed damage assessment. The amounts due the Bureau as actual damages may be deducted from any fees or other compensation payable to the Contractor, or the Bureau may require the Contractor to remit the damages within thirty (30) days following the notice of assessment or resolution of any dispute. At the Bureau's option, the Bureau may obtain payment of assessed actual damages through one (1) or more claims upon any performance bond furnished by the Contractor.

#### 6.1.2.1.4. Actual and Liquidated Damages

Damage may be sustained by the Bureau in the event that the Contractor fails to meet the requirements of this Contract. In the event of default or the inability to maintain minimum requirements or standards as determined by the Bureau, the Contractor agrees to pay the Bureau for the actual cost of damages or the specifically outlined sums as liquidated damages. Liquidated damages are considered compensation for increased Contract management and do not constitute a penalty.

The list of Liquidated Damages and Performance Metrics are included in Section 6.1.2.2. of this Attachment.

#### 6.1.2.1.5. Dispute Resolution Process for Damage Assessments

The Bureau expects that any disputes arising under this Contract shall be approached first through negotiations with the Bureau's Contract Manager and second through negotiation with the Deputy Commissioner of Finance and Administration, Bureau of TennCare. Legal action should only be initiated if all of these mechanisms fail.

Venue for disputes shall be in Nashville, Tennessee. In any such review, the Contractor shall have the burden to prove the decision of the Bureau's Contract Manager to be incorrect. Pending final determination of any dispute, the Contractor shall proceed diligently with performance of the Contract and in accordance with the direction of the Bureau's Contract Manager.

## **6.1.2.2. Liquidated Damages**

### **6.1.2.2.1. Damage Provisions**

All requirements described in this Contract are subject to monitoring by the Bureau of TennCare. The Contractor shall track and comply with all performance measures, commitments and requirements. The Bureau reserves the right to monitor performance at any time and may exercise such option, at its discretion, without notice. In the event of a failure to meet the performance requirements, the Contractor agrees that the Bureau of TennCare may assess and withhold from payments due its liquidated damages set forth below and as assessed at the Bureau's discretion.

### **6.1.2.2.2. Liquidated Damage - Failure to Meet Contractor Performance Requirements**

It is agreed by the Bureau and the Contractor that, in the event of a failure to meet the performance requirements listed in the following sections, damage is deemed to have been sustained by the Bureau. It is further agreed that it is and will be impractical and extremely difficult to ascertain and determine the actual damage that the Bureau has sustained or will sustain in the event of, and by reason of, such failure. It is therefore agreed that the Contractor shall pay the Bureau for such failures at the sole discretion of the Bureau according to the following business areas and subsections.

Damage assessments are linked to performance of operational responsibilities. Where an assessment is defined as an "up to (amount)," the dollar value per occurrence may be set at the discretion of the Bureau of TennCare, up to the amount specified.

For those requirements subject to a cure period, written notification of each failure to meet a performance requirement shall be given to the Contractor by the Contract Administrator or his/her designee. The Contractor shall have five (5) business days from the date of receipt of the written notification of a failure, to perform to specifications to affect the cure of the failure. The cure shall be received by close of business on the fifth day. The Bureau may approve additional days, if deemed necessary, at its discretion. Liquidated damages may be imposed retroactively to the date of failure to perform and continue for the period of time until the cure is affected, and the Bureau has accepted the cure as approved. The imposition of liquidated damage is not in lieu of any other remedy available to the Bureau.

Liquidated damages may not be assessed against the Contractor in those instances where the Bureau determines that inconsequential damage has occurred.

#### **6.1.2.2.2.1. Assessments During Transition and Implementation**

Failure to complete, by the expected delivery date and present to the Bureau any of the TCMIS Assessments, or parts thereof, required during Transition and Implementation, shall result in nonpayment to the Contractor for that Assessment and damages may be assessed by the Bureau.

#### **6.1.2.2.2.2. Operational Start Date - Performance Requirement**

It is the Bureau's intent to have the takeover of the TCMIS fully operational on January 1, 2009. Fully operational means: to begin processing correctly all claim types, claims adjustments, and other financial transactions; maintaining all system files; producing all required reports; and performing all other Contractor responsibilities specified in this Contract.

Compliance with the January 1, 2009 date is critical to the Bureau's interest. Therefore, the Contractor shall be liable for resulting damages if this date is not met. The Contractor's capability to meet this date shall be determined by the Bureau following the conclusion of the operational readiness test.

#### **6.1.2.2.2.3. Operational Start Date – Damages**

If, for any reason, the Contractor does not fully meet the operational start date approved in the Detailed Project Work Plan and a contract amendment delaying this date or start-up or a portion of the processing

requirements has not been approved, then the Contractor shall be liable for all costs incurred by the Bureau to continue current TCMIS and Contractor operations. The Contractor shall also forfeit all claims to reimbursement of monthly expenses or operational payments for that month and each month thereafter until the Bureau approves operational readiness, which shall not be unduly withheld.

#### 6.1.2.2.2.4. Deliverables

For any Deliverable not completed and submitted to, and accepted by the Bureau by the expected completion date, payment shall not be made to the Contractor. In addition, damages may be assessed by the Bureau.

#### 6.1.2.2.2.5. Sanctions by CMS – Consequential Damages

If CMS imposes fiscal sanctions against the Bureau as a result of the Contractor's or any subcontractor's action or inaction, the Contractor shall compensate the Bureau the amount lost by the Bureau by application of the sanctions.

#### 6.1.2.2.2.6. Major Enhancements

Failure to develop and implement any of the major System Enhancements to the TCMIS by the expected delivery date, or if any of these enhancements negatively impact the operations of the TCMIS, then no payment shall be made to the Contractor for the enhancement and damages may be assessed by the Bureau.

#### 6.1.2.2.2.7. Recovery

If, in the reasonable judgment of the Bureau, a default by the Contractor is not so substantial as to require termination and reasonable efforts to induce the Contractor to cure the default are unavailing, and the default is capable of being cured by the Bureau or by another resource without unduly interfering with continued performance by the Contractor, the Bureau may provide or procure the services reasonably necessary to cure the default. In which event the Contractor shall reimburse the Bureau for the reasonable cost of the services. In addition, the Contractor shall cooperate with these resources in allowing access to the computer facility, documentation, software, utilities, and equipment. The Contractor shall remain liable for all system performance criteria, maintenance of and further enhancements to any applications developed by these resources to the extent that it constitutes the Contractor's work product whether impacted by the work of the other resource or not.

#### 6.1.2.2.2.8. Performance Monitoring Requirements:

- The Contractor shall be required to meet the requirements of this Contract in all areas measured by the Performance Reporting System.
- The liquidated damages for performance measure areas that score below seventy-seven (77) shall be five thousand dollars (\$5,000) for each deficient area.
- The liquidated damages for performance measure areas that score below seventy (70) shall be ten thousand dollars (\$10,000) for each deficient area.

#### 6.1.2.2.2.9. Milestones or Phases

Requirements:

- Unless otherwise specified, milestones and phases that occur during the Planning, Design, Development, Testing, and Implementation Phases shall be completed by the Contractor in final form on the dates specified in the Contractor's Work Plan. The Bureau shall review and provide written acceptance of all milestones or phases.
- The liquidated damages shall be one thousand dollars (\$1,000) per workday for each day the milestone or phase is late or unacceptable.

#### 6.1.2.2.2.10. Sponsorship

Requirements:

- Any publicity given to the program or services, including, but not limited to: notices, information pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor shall contain a statement indicating sponsorship by the Contractor and the Bureau.
- The liquidated damages shall be five thousand dollars (\$5,000) per incident in which the Bureau approval is not obtained.

6.1.2.2.2.11. HIPAA Compliance

Requirements:

- The Contractor shall ensure it meets all federal regulations regarding standards for privacy, security, and individually identifiable health information as identified in the Health Insurance Portability and Accountability Act (HIPAA) of 1996 as specified in the Facilities Management General Operations Section A.3.20.
- The Contractor shall deliver, maintain and operate the TCMIS in full compliance with the Health Insurance Portability and Accountability Act (HIPAA). EDI requirements can be found in Section A.3.19.
- The Contractor shall be responsible for HIPAA compliance of the TCMIS and the Facilities Manager regardless of its status as a covered entity or business associate of the Bureau.
- The actual damages for the Contractor's failure to comply with the HIPAA standards shall be any penalties that the Bureau is assessed.

6.1.2.2.2.12. Performance Reporting System Report

Requirements:

- The Contractor shall provide a monthly performance report produced by the Performance Reporting System in a manner acceptable to the Bureau, within fourteen (14) workdays of the end of the month.
- The liquidated damages for failure to provide the report timely or in a manner acceptable to the Bureau shall be five hundred dollars (\$500) a day for each workday the report is not received or acceptable.

6.1.2.2.2.13. Deduction of Damages from Payments

Amounts due the Bureau as liquidated damages may be deducted by the Bureau from any money payable to the Contractor pursuant to this Contract. The Bureau shall notify the Contractor in writing of any claim for liquidated damages at least thirty (30) calendar days prior to the date the Bureau deducts such sums from money payable to the Contractor. Such amounts as they relate to Section C.3 of the Contract may be deducted during the entire period that MMIS certification is lacking. Should certification subsequently be granted retroactively, the Bureau shall reimburse the Contractor for any amounts that have been withheld due to lack of certification.

Amounts due the Bureau as actual damages may be deducted by the Bureau from any money payable to the Contractor pursuant to this Contract. The Bureau shall notify the Contractor in writing on or before the date the Bureau deducts such sums from money payable to the Contractor.

6.1.2.2.2.14. Information Analyst Thresholds

Requirement:

- The Contractor shall be required to meet the minimum staffing level requirements of the Contract for the positions of Information Analysts and Specialists, (including senior levels). These staff members shall work the minimum threshold hours as listed in Section A.6.2.1.



Liquidated Damage Assessment:

- If the Contractor fails to comply with this requirement, the liquidated damage assessment shall be the average hourly rate for excess staffing for Information Analyst (see Section C.3.4) multiplied by the sum of the required number of hours less the hours worked.

6.1.2.2.2.15. Business Services Analyst Thresholds

Requirement:

- The Contractor shall be required to meet the minimum staffing level requirements of the Contract for the positions of Business Services Analysts, including senior and advanced levels. These staff members shall work the minimum threshold hours as listed in Section A.6.2.1.

Liquidated Damage Assessment:

- If the Contractor fails to comply with this requirement, the liquidated damage assessment shall be the average hourly rate for excess staffing for Business Service Analyst, see Section C.3.4, multiplied by the sum of the required number of hours less the hours worked.

6.1.2.2.2.16. Project Manager Thresholds

Requirement:

- The Contractor shall be required to meet the minimum staffing level requirements of the Contract for Project Managers. The Project Managers shall work the minimum threshold hours as listed in Section A.6.2.1.

Liquidated Damage Assessment:

- If the Contractor fails to comply with this requirement, the liquidated damage assessment shall be the average hourly rate for excess staffing for Project Managers, see Section C.3.4, multiplied by the sum of the required number of hours less the hours worked.

6.1.2.2.2.17. Other Staffing Level Thresholds

Requirement:

- The Contractor shall be required to meet the minimum staffing level requirements of the Contract for maintenance and user support staff. These staff members shall work the minimum threshold hours as listed in Sections A.6.2.2 and A.6.4.

Liquidated Damage Assessment:

- If the Contractor fails to comply with this requirement, the liquidated damage assessment shall be the average hourly rate for excess staffing for deficient staffing level multiplied by the sum of the required number FTE hours less the FTE hours worked.
- Formula = Average hourly rate x (FTEs required x 1,770)-(FTEs used x 1,770)

6.1.2.2.2.18. On-Site Staffing Assessment

Requirement:

- The Contractor shall be required to meet the on-site staffing requirements as depicted in the table in Section A.6.2.2.

Liquidated Damage Assessment:

- If the Contractor fails to comply with this requirement, the liquidated damage assessment shall be twenty-five dollars (\$25) per hour, per staff position that the staff members were not available on-site.

#### 6.1.2.2.2.19. Dedicated Staffing Assessment

##### Requirement:

- The Contractor shall be required to meet the dedicated staffing requirements as depicted in the table in Section A.6.2.2.

##### Liquidated Damage Assessment:

- If the Contractor fails to comply with this requirement, the liquidated damage assessment shall be twenty-five dollars (\$25) per hour, per staff position that the staff members were not dedicated to the TCMIS account.

#### 6.1.2.2.3. Liquidated Damages: Failure to meet Contractor Commitments

The Contractor shall, at all times, operate the TCMIS and its activities in conformity with the policies and procedures of the Bureau. The Bureau and Contractor agree that any delay or failure by Contractor to timely perform its obligations by the dates in the Work Plan and in accordance with the Performance Commitments will interfere with the proper and timely transition of the System and Facilities Manager services, to the loss and damage of the Bureau. Further, the Bureau will incur costs to maintain the functions that would have otherwise been performed by Contractor. The Bureau and the Contractor understand and agree that this Section describes the liquidated damages the Contractor shall pay to the Bureau in the Bureau's discretion as a result of nonperformance hereunder by the Contractor.

All requirements described in this Contract are subject to monitoring by the Bureau. The Bureau reserves the right to monitor performance at any time and may exercise such option, at its discretion, without notice. The assessment of penalties shall not constitute a waiver or release of any other remedy the Bureau may have under this Contract for the Contractor's breach of this Contract, including without limitation, the Bureau's right to terminate this Contract. The Bureau shall be entitled in its discretion to recover actual damages caused by the Contractor's failure to perform its obligations under this Contract.

If the System fails to meet performance commitments during the Warranty Period and while the Contractor is providing Facilities Management services, the Contractor shall modify, reconfigure, upgrade or replace software and equipment at no additional cost to the Bureau in order to provide a system solution that complies with such performance standards.

The Bureau confirms that the amounts stated for each occurrence of each performance failure defines the maximum compensation due from the Contractor and that the amount claimed shall be adjusted downward to eliminate any proportion of the cost caused by the Bureau's failure to meet its contractual responsibility.

##### 6.1.2.2.3.1. MMIS Certification

The TCMIS System, and all of its subsystems and components, shall meet federal certification requirements defined in the most current version of Part 11 of the State Medicaid Manual. It is imperative that the enhanced TCMIS be complete, stable, fully operational, and of the highest quality by the start of the Operations as of January 1, 2009. Federal certification shall be requested retroactively to the start of full Contractor and system operations. The following subsection listed below describes the Certification-related activities. This list may not be all inclusive; it is the responsibility of the Contractor to ensure that all Certification activities contained within the Contract and Part 11 of the State Medicaid Manual meet the requirements.

Reference or Contract section – Listed below:

A.5.2 MMIS Certification

The following table lists the operational responsibilities and performance expectations that the Bureau has for MMIS Certification and related activities.

MMIS Certification Table

MMIS Certification Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Contractor shall demonstrate that TCMIS processes meet Certification requirements (system reports, file updates, documentation updates).	If CMS does not grant System Certification as scheduled in the Enhancements Work Plan, the Bureau may assess one thousand dollars (\$1,000) per calendar day from the start of operations date and until CMS certification is achieved and CMS notification of decision is received in writing.	Retroactive to Contract Start date.	The Bureau may assess any FFP damages which is the difference between the maximum allowable FFP from what was actually received by the Bureau over the same time period. These damages may be retroactive from the start of operations if so found by CMS. Additionally, the Bureau may assess one thousand dollars (\$1,000) per calendar day from the start of operations date and until CMS certification is achieved and CMS notification of their decision is received in writing.	
Contractor shall comply with CMS Certification requirements as the TCMIS is maintained.	CMS fails to approve certification, and withholds FFP for any month, or portion thereof.	Retroactive to Contract start date.	The damage that may be assessed shall be whatever damages or penalties CMS assesses.	Any FFP damages (which is the difference between the maximum allowable FFP and that actually received by the Bureau over the same time period).

#### 6.1.2.2.3.2. Change Management

The TCMIS Facilities Management Contractor shall be responsible for identifying changes in applicable federal or State legislative enactments and regulations and the impact of such changes on the performance of the Services or Deliverables or the Bureau's use of the Facilities Management services or deliverables. The Contractor shall timely notify the Bureau of such changes and shall work with the Bureau to identify the impact of such changes on how the Bureau uses the Services or Deliverables. It shall be the responsibility of the Contractor to ensure all Change Management activities contained within the Contract meet the requirements. This list may not be all inclusive; it is the responsibility of the Contractor to ensure all Change Management activities contained within this Contract meet the requirements.

Reference or Contract section – Listed below:

A.2 Transition/Implementation of Facility Manager Operations

A.4 Change management

The following table lists the operational responsibilities and performance expectations that the Bureau has for change management activities.

Change Management Table

Change Management Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Contractor shall provide monthly reports of all systems changes, including a three (3) month projection of SCRs.	If the report is not delivered by the defined date as specified according to the work plan.	Each month, according to the work plan.	The damage that may be assessed shall be one hundred dollars (\$100) per calendar day for each day the SCR report is not received timely in the Regular Status Report. If the report is received on time but the information reported is inaccurate or incomplete, the Bureau may assess up to one hundred dollars (\$100) per day until an acceptable report is received.	

Change Management Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Contractor shall provide monthly report of staff time spent by job category on system modifications / enhancements.	Produce a monthly staffing report.	Each month, according to project schedule.	The damage that may be assessed shall be one hundred dollars (\$100) per calendar day for each day an acceptable report is not received, unless waived by the Bureau. If the report is received on time but the information reported is inaccurate or incomplete, the Bureau may assess up to one hundred dollars (\$100) per day until an acceptable report is received.	
Contractor shall provide written response to Bureau requested change request estimates within three (3) business days	Produce Change Request response information.	Within three (3) business days of Bureau request.	The damage that may be assessed shall be one hundred dollars (\$100) per day until an acceptable response is received.	
Contractor shall provide SCR status meeting minutes within two (2) business days.	Produce and distribute meeting minutes within two (2) business days of SCR status meeting.	Within two (2) business days of SCR status meeting.	The damage that may be assessed shall be one hundred dollars (\$100) per business day for each day	

Change Management Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
			past deliverable period.	
Maintenance request shall be corrected within fifteen (15) business days or by specified correction date	Produce correction to maintenance requests.	Within fifteen (15) business days of maintenance request.	The damage that may be assessed shall be one hundred dollars (\$100) per business day for each day past deliverable period.	
Contractor shall have qualified staff available to support modification task activities.	Provide qualified staff to work on modification activities.	Each day.	The damage that may be assessed shall be one hundred dollars (\$100) per day per each staff position that staff is unavailable.	Refer to parts 6.1.2.2.2.14 through 6.1.2.2.2.19 for detailed assessment criteria.
Contractor shall track all stages of work performed (e.g., dates, staff assigned, priority)	Produce a project tracking report that lists dates (e.g., assigned, completed), staff assigned, work status (e.g., coded, tested) that demonstrates change management tracking.	Each week according to work plan.	The damage that may be assessed shall be one hundred dollars (\$100) per day for each day past deliverable period, unless waived by the Bureau.	

#### 6.1.2.2.3.3. Claims Reporting and Financials

The Contractor shall be responsible for the overall support and reporting for all of the claims processing and financial activities necessary to support the Tennessee medical assistance programs. This includes activities for claim payment processing, adjustment processing, accounts receivable processing, and financial transaction processing. This function ensures that all Bureau funds are appropriately disbursed for claim payments and that all post-payment transactions are applied accurately. The following subsection listed below describes the Claims Reporting and Financial-related activities. This list may not be all inclusive. It is the responsibility of the Contractor to ensure all Claims Reporting and Financial activities contained within the Contract meet the requirements.

Reference or Contract sections – Listed below:
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### A.3.9 Accounting/Financial/Premium Management

#### A.3.11 Claims/Encounter Claims

The following table lists the operational responsibilities and performance expectations that the Bureau has for Claims related activities.

Claims Table

Claims Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Contractor shall be responsible for timeliness of payments	Claims File or financial transaction is more than four (4) hours past specified timeframe for transmission.	Four (4) hours after the claims transactions are produced.	The damage that may be assessed shall be one thousand dollars (\$1,000) per hour for each hour (or fraction thereof) the file is transmitted late, up to four (4) hours. The damage that may be assessed shall be ten thousand dollars (\$10,000) for each transmission later than four (4) hours and for any transmission that cannot be processed due to the quality of the file transmitted.	
Contractor shall be responsible for timeliness of Claims Processing. One hundred percent (100%) of claims shall be processed and adjudicated within sixty (60) days from the date of receipt of the claim.	Failure to meet the requirements for four (4) consecutive months may result in an assessment of damages of seventy thousand dollars (\$70,000).	Four (4) consecutive months of Contractor's failure to meet claims processing requirements.	ten thousand dollars (\$10,000) for the first month of each failure to meet requirements. The damage that may be assessed shall be twenty thousand dollars (\$20,000) for each consecutive subsequent month a requirement remains unmet, up to seventy thousand dollars (\$70,000).	
Contractor is liable for the actual amount of overpayment not recovered, if caused by Contractor.	Whenever the amount of overpayment or underpayment is inaccurate.	Sixty (60) days from the date the over or under payment is identified.	The damage that may be assessed shall be the actual amount of overpayment not recovered due to Contractor error.	
Contractor shall be	A duplicate payment	Sixty (60)	The damage that	



Claims Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
liable for the amount of duplicated payments.	is made and not corrected within sixty (60) days of discovery.	days from the date the duplicate payment is identified.	may be assessed shall be the true amount of duplicate payment(s).	
Contractor may propose a Corrective Action Plan (CAP) upon notice of a payment transaction deficiency.	If agreed upon remedy is deficient, (the Contractor fails to complete the mutually agreed upon CAP), liquidated damage may be assessed.	Date varies depending on the specified date that CAP remedy is due.	The damage that may be assessed shall be twenty-five percent (25%) of the current price per suspense transaction for each receipt that remains unprocessed below the threshold up to a maximum of five thousand dollars (\$5,000) per month.	

#### 6.1.2.2.3.3.1. Claims Control and Entry Functions

The Claims Control and Entry functions shall ensure that all paper claims, including UB92, CMS-1500, 94, NCPDP, and crossover claims forms, and related input to the TCMIS are captured in an accurate manner at the earliest possible time. These functions shall monitor the movement and distribution of claim batches once they are entered into the system to ensure an accurate trail from receipt of claims through data entry to final disposition. The function shall include both manual and automated processes for claim control.

Additional objectives of this function of the TCMIS are to:

- Maintain control over all transactions during their entire processing cycle.
- Provide accurate and complete registers and audit trails of all processing.
- Monitor the location of all claims at all times.

The following table lists the operational responsibilities and performance expectations that the Bureau has for Claims Control and Entry-related activities.

Claims Control Table

Claims Control Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Assign a unique control number to every claim, attachment, and adjustment request received within one (1) business day of receipt at the Bureau's site.	Produce a report with a random sample of all claims with the date the claim was received and the date control number was assigned.	Within one (1) business day of receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim/attachment for each day past deliverable period.	
Return paper claims missing required data within one (1) business day of receipt.	Produce a report with a random sample of all paper claims returned due to missing data with the date the claim	Return paper claims within one (1) business	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim for each day past deliverable	

Claims Control Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
	was received and the date the claim was returned.	day of claim receipt.	period.	
Document image every claim, attachment, and adjustment request within one (1) business day of receipt.	Produce a report with a random sample of all claims, attachments, and adjustments with the date the claim and associated information was received and the date claim or associated information was imaged.	Within one (1) business day of receipt of claim / attachment/ adjustment receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim/ attachment /adjustment for each day past deliverable period.	
Create and store a document image of Bureau-identified reports within one (1) business day of report generation.	Produce a report with a random sample of all reports with the date the report was generated and the date the report was imaged.	Within one (1) business day of report production.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report for each day past deliverable period.	
Retain hard-copy documents and claims on-site until the batch is fully adjudicated and the retention schedule has lapsed.	Contractor shall have documents on-site for Quality Control (Q/C) audits to uphold performance requirements.	As frequently as claims batches are received.	The damage that may be assessed shall be one hundred dollars (\$100) per day per batch for each day past deliverable period.	
Enter all paper claims within three (3) business days of receipt, unless otherwise approved by the Bureau.	Produce a report with a random sample of all claims with the date the claim was received and the date the claim was entered in the TCMIS.	Within three (3) business days of claims receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim for each day past deliverable period.	
Update the claims entry files daily with electronic transaction-submitted claims.	Produce a report of random sample of claims updated every day.	Daily, or as claims are received.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim for each day past deliverable period.	
Produce, reconcile, and submit to the Bureau, balancing and control reports that reconcile all claims entered into the system to the batch processing	Publish all reports to the dashboard, or hardcopy if requested by the Bureau.	Daily, or as frequently as claims are received.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report for each day past deliverable period.	

Claims Control Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
cycle input and output counts.				
Produce and submit to the Bureau, all daily, weekly, and monthly claims reports, including, but not limited to, data entry statistics.	Publish all reports to the dashboard. If requested by the Bureau, hard copy claims statistical reports.	Daily, weekly, and monthly, as frequently as claims are received.	The damage that may be assessed shall be one hundred dollars (\$100) per statistical report for each day past deliverable period.	

#### 6.1.2.2.3.3.2. Reconsiderations

According to provider appeal policies, the provider may resubmit Institutional, Professional, or Pharmacy claims for reconsideration of claims payments or timely filing issues. The Contractor shall reprocess these claims, determining if any errors occurred during initial payment processing or if any policies for payment were violated.

The following table lists the operational responsibilities and performance expectations that the Bureau has for Claims Reconsideration activities.

Claims Reconsiderations Table

Claims Reconsideration Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Provide weekly reports on all reconsidered claims received by claim type and edit sets.	Publish all reports to the dashboard, or provide hardcopy if Bureau requests.	Weekly, by noon CST on the following business day following the claims receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report for each day past deliverable period.	
Resolve reconsiderations claims within fifteen (15) days of receipt, or according to Bureau guidelines.	Produce a report with a random sample of all reconsiderations with the date the claim was received and the date the claim was resolved.	Within fifteen (15) days of reconsideration receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day per reconsideration for each day past deliverable period.	
Provide monthly reports on paid, denied, and suspense reconsiderations per Bureau requirements.	Publish all reports to the dashboard or by hardcopy if Bureau request.	Monthly, by noon CST on the next business day following the processing.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report for each day past deliverable period.	

#### 6.1.2.2.3.3.3. Claims/Encounter Pricing and Adjudication

The Claims/Encounter Pricing and Adjudication function accepts and processes claims and encounter transactions input via paper or electronic media. This function shall accept claims/encounters entered through the claims control and entry process, performs extensive validity checks (edits and audits), and adjudicate and price approved claims according to Bureau policy. Claims pricing and adjudication shall be comprised of the following activities:

- 1) Edit/Audit Cycles - Process claims and encounters through preliminary edits/audits to verify that required fields are present and in the appropriate format, are consistent and reasonable, and contain allowable values. Check for data conflicts between fields within the transaction.
- 2) Claims Correction - Provide for suspended claims to be accessed and reviewed by claims resolution staff for disposition of the claim (e.g., data corrected, forced, denied, or manually priced), according to Bureau policy.
- 3) Claims Pricing - After editing, the system shall automatically calculate the allowed amount for claims and encounters according to Bureau policy. The pricing function shall include the ability to accommodate deductions and add-ons to the calculated allowed amount such as enrollee co-payments or payments from other insurance carriers. TennCare enrollees must pay a share of the cost of their health care services, which results in co-payments being required for certain specific services. Pharmacy co-pays apply to TennCare Standard enrollees as well as certain non-institutional Medicaid adults.
- 4) Claims exceeding the limits or audit criteria shall be reviewed by the Contractor or Bureau staff using the Bureau-approved adjudication guidelines. Corrections to the claims shall be made and applied to the claim record. Claims that do not exceed any of the file limits or audit criteria shall be finalized.

5) Claims History - All pending and paid/denied claims and encounters and their disposition (such as claims data, edits/audits applied and processing dates) and encounter claims shall be maintained for each enrollee. Health insurance payments, estate recovery actions, SUR audits, or other adjustments to claims shall also be maintained. This information shall be maintained online then archived for storage according to a Bureau-defined schedule. Certain claims, such as those for once-in-a-lifetime surgical procedures, shall never be purged from online claims history.

6) The Encounter processing function shall process encounter claims as health plan encounter records submitted to the TCMIS under the Bureau's managed care program. This function shall accept, edit, price, and process encounter claims in accordance with Bureau edit guidelines. Encounter processing shall have limited auditing and history update, and shall bypass the remittance and check write flow.

The following table lists the operational responsibilities and performance expectations that the Bureau has for Claims/Encounters Pricing and Adjudication-related activities.

Claims / Encounter Adjudication Table

Claims / Encounter Adjudication Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Meet all CMS and audit review processing requirements.	Publish reports to the dashboard that demonstrate the Contractor meets all CMS and audit processing requirements.	Agreed upon timeframe whenever required by CMS and the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per day per audit requirement for each day past deliverable period, if not completed by the agreed upon timeframe.	
Perform daily claims processing cycles.	Produce a report that documents the time of each daily claim processing cycle.	Each night according to Production schedule.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report that claims cycles are late due to Contractor issues.	
Perform online, real-time adjudication of all claims transmitted interactively except for the maintenance period each week, unless otherwise authorized, in advance, by the Bureau.	Produce a weekly summary report of a random sample of adjudicated claims.	Adjudicate claims submitted weekly within thirty (30) calendar days of receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day for each day past the deliverable period, unless waived by the Bureau.	

<b>Claims / Encounter Adjudication Commitment</b>	<b>Performance Indicator</b>	<b>Deliverable Period</b>	<b>Liquidated Damage</b>	<b>Additional Assessment Criteria</b>
Process claims received according to the following standards: Ninety percent (90%) within thirty (30) calendar days of receipt in the Contractor's mailroom or by electronic transmission.	Produce a report that documents the percent of Claims processed within thirty (30) days and sixty (60) days by claim receipt date.	Ninety (90%) within thirty (30) calendar days of receipt in the Contractor's mailroom or by electronic transmission, or remainder within sixty (60) days.	The damage that may be assessed shall be one hundred dollars (\$100) per claim that is not adjudicated within the specified timeframes.	One hundred percent (100%) of clean paper claims within sixty (60) calendar days of receipt in the Contractor's mailroom or by electronic transmission.
Process provider-initiated adjustments according to the following standards: Ninety-five percent (95%) within twenty (20) calendar days of receipt.	Produce a report that documents the percent of provider-initiated adjustments processed within twenty (20) days and thirty (30) days by provider-initiated adjustment receipt date.	Within twenty (20) days of adjustment receipt; or within thirty (30) days of receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per adjustment that is not processed within the specified timeframes.	One hundred percent (100%) within thirty (30) calendar days of receipt.
Provide the Bureau with document imaging, facsimiles, or hard-copy original claims, adjustments, attachments, non-claim transaction documents, and all electronic billings for all transactions processed within five (5) business days, upon request.	Produce a report that documents all requests associated with document imaging, facsimiles, or hard-copy original claims, adjustments, attachments, non-claim transaction documents, and all electronic billings for all transactions with the date the request was received by the Contractor and the date the requested information was received by the Bureau.	Within five (5) business days of transaction receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day per document or transaction for each day past the deliverable period.	

#### 6.1.2.2.3.3.4. Claims Reporting and Financial Processing

The Claims Reporting and Financial processing function provides the overall support and reporting for all of the claims processing and financial activities necessary to support the Tennessee medical assistance programs. It includes activities for claim payment processing, adjustment processing, accounts receivable processing, and financial transaction processing. This function ensures that all Bureau funds are appropriately disbursed for claim payments and that all post-payment transactions are applied accurately.

The Claims Reporting and Financial Processing function is the last step in claims processing. It provides the detailed information for provider checks, provider claim reports, and the financial reports. It includes:

- 1) Payment Processing - Claims that have passed all edit, audit, and pricing processing, or which have been denied, are passed on for payment processing.
- 2) Adjustment Processing - Adjustments to be processed in the regular claims processing cycles.
- 3) Other Financial Processing - Financial transactions such as voids, credits, returned warrants, manual checks, cash receipts, repayments, recoupments, cost settlements, accounts receivable, cash receipts, canceled warrants, levies, garnishments and non-claim-related system payments (payouts) will be processed as part of the Claims Reporting and Financial function.

The outputs of the Claims Reporting and Financial Processing function shall meet all federal and State reporting requirements, and shall provide the information necessary to assess compliance with federal certification and audit review standards. The outputs shall be produced on paper, document imaging, online display, direct transmission, and electronic media, as directed by the Bureau.

The following table lists operational responsibilities and performance expectations that the Bureau has for Claims Reporting and Financial-related activities.

Claims Reporting and Financial Processing Table

Claims Reporting, Financial processing Commitment	Performance Indicator	Deliverable Period	Liquidated Damage	Additional Assessment Criteria
Perform at least one (1) payment cycle weekly on a schedule to be approved by the Bureau.	Produce a report that documents the date and time of each weekly payment cycle and the Bureau scheduled date and time for the payment cycle.	At least weekly, according to production schedule.	The damage that may be assessed shall be one hundred dollars (\$100) per day the payment cycle is delayed from approved Bureau schedule due to Contractor issues.	
Generate and distribute enrollee EOMBs no less frequently than every forty-five (45) calendar days and within two (2) business days after the most current payment processing cycle.	Produce a report that documents the date EOMBs are sent to enrollees and the time frame between the last time EOMBs were sent.	At least every forty-five (45) calendar days for EOMBs, within two (2) business days after claims cycle.	The damage that may be assessed shall be one hundred dollars (\$100) per day the distribution of EOMBs is delayed due to Contractor issues.	
Produce, and make available to the Bureau, the claims inventory, operations, and other reports after each claims processing cycle.	Publish all reports to the dashboard, or by hardcopy if requested by the Bureau.	Daily, or according to the frequency of claims processing cycle.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claims cycle report for each day past deliverable period.	
Make available all financial reports for online viewing to the Bureau within one (1) business day of the financial cycle.	Produce a report that documents the date the financial reports were made available on the dashboard and the date of the financial cycle.	Within one (1) business day of financial cycle.	The damage that may be assessed shall be one hundred dollars (\$100) per day per financial report, that the reports are not available for online viewing.	



<b>Claims Reporting, Financial processing Commitment</b>	<b>Performance Indicator</b>	<b>Deliverable Period</b>	<b>Liquidated Damage</b>	<b>Additional Assessment Criteria</b>
Produce, and submit to the Bureau, weekly reports on accounts receivable collections and outstanding balances, as approved by the Bureau.	Publish all reports to the dashboard, or hardcopy if requested by the Bureau.	Weekly by noon CST on the following business day following the production cycle.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report, that the weekly reports are late due to Contractor issues.	
Produce, and submit to the Bureau, weekly and monthly accounts receivable reports in aggregate and/or individual accounts, as approved by the Bureau.	Publish all reports to the dashboard or hardcopy if requested by the Bureau.	Weekly and monthly by noon CST on the third (3 <sup>rd</sup> ) business day following the production run.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report, that the Accounts Receivable (A/R) reports are late due to Contractor issues.	
Process all Bureau-approved mass adjustments in the next weekly payment cycle.	Produce a report that documents the date of each mass adjustment and the date of the payment cycle that contained the mass adjustments.	As required by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per week the mass adjustments are delayed from processing due to Contractor issues.	
Process to completion all adjustments resulting from system-caused or Contractor-caused errors within twenty-five (25) calendar days of identification of the error, or as directed by the Bureau.	Produce a report with a random sample of all adjustments resulting from system-caused or Contractor-caused errors with the date the adjustment was identified and the date the adjustment was processed.	Within twenty-five (25) calendar days of identification, or as directed by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per day per adjustment error if delayed from processing due to Contractor issues.	
Accommodate all Bureau requests for system-generated adjustments in a timely manner, (e.g. large corrections from inappropriate payments reported to the Bureau, State or federal audits, or retroactive Bureau policy changes.)	Produce a report that lists when adjustment requests were made and the date they were actually done. If adjustment requests exceed five (5) business days, damages may be assessed.	Within five (5) business days of scheduled process, or of Bureau request.	The damage that may be assessed shall be one hundred dollars (\$100) per day that the system-generated adjustments are not processed after scheduled or the Bureau requested date.	
Create weekly sample from which to perform quality	Produce a list with the weekly sample.	Weekly or as required by the Bureau.	The damage that may be assessed shall be one hundred dollars	



<b>Claims Reporting, Financial processing Commitment</b>	<b>Performance Indicator</b>	<b>Deliverable Period</b>	<b>Liquidated Damage</b>	<b>Additional Assessment Criteria</b>
control testing.			(\$100) per day the weekly quality control sample is late from processing or delivery.	
Update system and operations documentation within ten (10) business days of when system changes are made and update detail systems design documents (DSDs) quarterly.	Produce a report that lists when system changes are made and when system and operations documentation are actually updated.	Monthly, or when requested by the Bureau, or at least quarterly.	The damage that may be assessed shall be one hundred dollars (\$100) per day per systems change for which systems change / operations documentation / DSD is not updated.	
Immediate notification to the Bureau upon discovery of any overpayments, underpayments or duplicate payments, irrespective of cause.	Produce a report when problems occurred and when the Bureau was actually notified.	Upon discovery of incorrect payments.	The Contractor shall be liable for the actual amount of the Contractor-caused overpayments that are not recovered. The actual amount of the outstanding overpayment will be deducted from Contractor payments.	

#### 6.1.2.2.3.4. General Subsystems/TCMIS

The Contractor shall operate and maintain the TCMIS subsystems and perform the Contractor responsibilities listed in the subsections below. This list may not be all inclusive. It is the responsibility of the Contractor to ensure that all General Subsystem Activities contained within the Contract meet the requirements.

Reference or Contract section – Listed below:
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A.3.2 Integration and Interfaces  
 A.3.3 Eligibility and Enrollment  
 A.3.4 Correspondence, Letters and Notices  
 A.3.5 Complaints/Grievances/Appeals  
 A.3.6 Benefit Packages  
 A.3.7 EPSDT  
 A.3.8 Medicare Buy-In  
 A.3.10 Drug Rebate  
 A.3.12 Third Party Liability  
 A.3.13 Reference  
 A.3.14 Long Term Care Business Unit  
 A.3.15 Program Integrity/SURS/Fraud and Abuse  
 A.3.16 Managed Care  
 A.3.17 MAR  
 A.3.18 Provider  
 A.3.19 EDI

#### 6.1.2.2.3.4.1. Provider Subsystem

The Provider Subsystem maintains comprehensive current and historical information about all providers, including, but not limited to, medical and non-medical providers and managed care entities that are eligible to participate in TennCare. It ensures that only eligible providers who agree to comply with the program rules and regulations are reimbursed for furnishing services to eligible enrollees.

The following table lists the operational responsibilities and performance expectations that the Bureau has for Provider related functions.

Provider Table

Provider Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Update Provider Subsystem operations manuals when system changes are made and DSDs quarterly.	Produce a report that lists all dates when system changes were made and dates when operations manuals were actually updated.	Monthly, or when requested by the Bureau, or at least quarterly.	The damage that may be assessed shall be one hundred dollars (\$100) per day per systems change for which systems change / operations documentation / DSD is not updated.	
Submit to the Bureau on a timely basis all Provider Subsystem reports according to the schedule determined by the Bureau.	Produce Provider reports according to schedule.	Within five (5) business days of scheduled process, or upon Bureau request.	The damage that may be assessed shall be one hundred dollars (\$100) per day that the scheduled reports are not processed after scheduled or the Bureau requested date.	
Operate and support the AVRS	Notify Bureau management if AVRS	Twenty-four (24) hours	The damage that may be assessed	

Provider Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
system to support provider inquiries twenty-four (24) hours per day, seven (7) days per week.	is not available.	per day, seven (7) days per week.	shall be one hundred dollars (\$100) per day that the AVRS component is not functioning correctly.	
Provide online access and updates to Provider data within normal business hours.	Notify Bureau management if online access is not available.	Daily	The damage that may be assessed shall be one hundred dollars (\$100) per day that the Provider component is not available.	

#### 6.1.2.2.3.4.2. Eligibility Subsystem

The primary purpose of the Eligibility Subsystem is to accept and maintain an accurate, current, and historical source of eligibility and demographic information on individuals who have been or currently are eligible for TennCare. The maintenance of enrollee data is required to:

- 1) support fee-for-service (FFS) and encounter claims processing, third-party liability cost-avoidance and recovery, managed care payment processing, health insurance and Medicare premium payment processing, and management and administrative reporting functions
- 2) accomplish automated interfaces with other systems
- 3) provide eligibility verification data to providers and other parties. The enrollee data maintained in this area also supports the maintenance of enrollee benefit limitations and the generation of various enrollee reports.

Up to twelve (12) years of TennCare eligibility data shall be maintained by the Contractor in an electronic file in the TCMIS. Updates to this file shall be received through electronic transactions. Refer to Section A.3.2.1 for the Interface Listing.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Eligibility related functions.

Eligibility Table

Eligibility Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Produce, and submit to the Bureau, balancing and maintenance reports from the daily update process by noon CST on the business day following the update.	Produce a report that lists the report name, documents the delivery date and time of all reports, and the Bureau staff member that received the report.	Daily, by noon CST on the business day following the update.	The damage that may be assessed shall be one hundred dollars (\$100) per day that the scheduled reports are not delivered according to schedule.	
Produce, and submit to the	Produce a report that lists the report name,	Weekly, by noon CST	The damage that may be assessed	

<b>Eligibility Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Bureau, balancing and maintenance reports from the weekly update process by noon CST on the business day following the update.	documents the delivery date and time of all reports, and the Bureau staff member that received the report.	on the business day following the update.	shall be one hundred dollars (\$100) per day that the scheduled reports are not delivered according to schedule.	
Produce, and submit to the Bureau, balancing and maintenance reports from the monthly reconciliation process by noon CST on the third (3rd) business day following the run.	Produce a report that lists the report name, documents the delivery date and time of all reports, and the Bureau staff member that received the report.	Monthly, by noon CST on the third (3 <sup>rd</sup> ) business day following the update.	The damage that may be assessed shall be one hundred dollars (\$100) per day that the scheduled reports are not delivered according to schedule.	
Update system and operations documentation when system changes are made and DSDs quarterly.	Produce a report that lists all dates when system changes were made and dates when operations manuals were actually updated	Monthly, or when requested by the Bureau, or at least quarterly.	The damage that may be assessed shall be one hundred dollars (\$100) per day per systems change for which systems change / operations documentation / DSD is not updated.	
Complete processing of ME packet within three (3) business days of receipt.	Upon notice of a deficiency, Contractor shall propose a CAP to remedy deficiency.	Within three (3) business days of receipt of ME packet.	The damage that may be assessed shall be twenty-five (25%) of current price per ME Packet that is incomplete after three (3) business days up to a maximum of five hundred dollars (\$500) per month.	If CAP remedy is not completed, damages may be assessed.

#### **6.1.2.2.3.4.3. Correspondence, Letters and Notices**

The Contractor shall be responsible for a variety of official correspondence, letters, and notices related to eligibility application approval and denial, enrollment, premium billing, dunning notices, information verification letters, legal matters, EPSDT services, TPL questionnaires, complaints, grievances and appeals, and member services correspondences. Most all correspondence and notice items have strict distribution deadlines.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the correspondence related activities.

Correspondence Table

<b>Correspondence Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Ensure production of correspondence, letters and notices are within twenty-four (24) hours of receipt of print files.	Produce a report that contains correspondence statistics, along with random samples of each type of correspondence for verification.	Within twenty-four (24) hours of receipt of print files.	The damage that may be assessed shall be one hundred dollars (\$100) per day until correspondences are produced.	
Mail outgoing correspondence at the most cost effective postage rate within twenty-four (24) hours of receipt of printed materials, or within Bureau specified timeline.	Produce postage/mail report that lists correspondence information (e.g. rate, mail date, type of correspondence, quantity).	Within twenty-four (24) hours (or Bureau specified timeline) of receipt of printed materials.	The damage that may be assessed shall be one hundred dollars (\$100) per day until correspondences are mailed.	Ensure that the most cost effective postage rate is used.
Contractor shall perform quality control reviews on all generated correspondences within twenty-four (24) hours of receiving printed documents.	Maintain control documents that lists correspondence tracking data (e.g., type produced, quantity, date quality controlled, date released for mail processing).	Within twenty-four (24) hours (or Bureau specified timeline) of receipt of printed documents.	The damage that may be assessed shall be one hundred dollars (\$100) per day until correspondences are verified.	

#### 6.1.2.2.3.4.4. EPSDT

The Contractor shall commit to supporting EPSDT functions, which includes notification processes to enrollees to remind them of services and inform them of health screenings.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the EPSDT related activities.

EPSDT Table

<b>EPSDT Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Support EPSDT processes to generate and mail monthly EPSDT notices.	Produce associated EPSDT processing control report and deliver within five (5) business days of schedule.	Within five (5) business days of monthly schedule.	The damage that may be assessed shall be one hundred dollars (\$100) per day until notices are produced and mailed.	
Produce quarterly CMS-416 EPSDT report according to federal requirements.	If the report is not produced within five (5) business days of due date (according to production schedule),	Quarterly and Annual, according to schedule.	The damage that may be assessed shall be one hundred dollars (\$100) per day	The Contractor shall be responsible for any

<b>EPSDT Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
	or is inaccurate, the Bureau may assess damages until remedied.		after the due date until report is produced.	related damages federally imposed on the Bureau.
Receive and process interface files (DOH weekly immunization data & MCO EPSDT screening files)	Contractor shall produce associated reports and deliver within five (5) business days according to production schedule.	Weekly or as required by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until updates are processed.	

#### 6.1.2.2.3.4.5. Medicare Buy-In

The Medicare Buy-In function maintains and reports Medicare premium information that is used in Eligibility, Enrollment and Financial and Accounting functions.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Medicare Buy-In activities.

Medicare Buy-In Table

<b>Medicare Buy-In Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Support Medicare Buy-In processes to maintain Buy-in data using Medicare update transactions.	Produce associated Buy-in processing reports within five (5) business days of production schedule.	Monthly, within five (5) business days of schedule	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until updates are processed.	
Generate premium payments for Medicare Buy-In enrollees.	Produce associated Buy-in premium processing reports within five (5) business days of production schedule.	Monthly, within five (5) business days of schedule	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until payments are generated.	The Contractor shall be responsible for any related damages federally imposed on the Bureau.

#### 6.1.2.2.3.4.6. Reference

The TCMIS Reference function maintains pricing files for procedures, drugs, and DRGs, and maintains other general reference files such as diagnosis, edit/audit criteria, edit dispositions, and error and remittance text information, including, but not limited to, benefit limit criteria and provider-specific rates for procedure codes. It provides a consolidated online source of reference information to be accessed during processing by other functions of the TCMIS, including, but not limited to, such areas as the claims processing, TPL functions, and managed care reporting functions.

The Bureau's goals in the maintenance of reference data are to:

- 1) Provide accurate coding and pricing verification during claims processing for all approved claim types, assistance programs, and reimbursement methodologies, including, but not limited to, capitated and fee-for-service programs.
- 2) Maintain flexibility in reference parameters and file capacity to make the TCMIS capable of easily accommodating changes and updates in coding standards in the Tennessee medical assistance programs.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Reference related activities.

Reference Table

Reference Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Enter all batch and online updates within Bureau-defined time frames.	Produce a report that contains all batches and a random sample of online updates that show receipt date and the actual time frame for completion.	Within five (5) business days of update receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until updates are processed.	
Correctly apply all reference file/database updates and interfaces within the Bureau-specified time frames.	Produce a report that lists all reference updates and the date when interfaces were actually updated.	Within five (5) business days of interface / update receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until updates are processed.	
Deliver weekly, monthly, bimonthly, and quarterly reports, as defined by the Bureau, including specially requested reports.	Produce a report that lists the report name, documents the delivery date and time of all reports, and the Bureau staff member that received the report.	Within five (5) business days of update receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until reports are produced.	
Update drug file data, including, but not limited to, pricing information, using the file received from the Bureau-approved drug file updating service on a bimonthly basis.	Produce a report that lists the date the drug file is updated.	Within five (5) business days of receipt of the update data.	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until update is processed.	

#### 6.1.2.2.3.4.7. Long Term Care Business Unit

The Long Term Care Business Unit performs several functions to support the coordination of care services for LTC enrollees. These functions include Quality Monitoring, monitoring LTC provider claims payments, managing PAEs, LTC appeals, and performing file maintenance functions.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Long Term Care related activities.



LTC Table

LTC Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Correctly adjudicate (90% of FFS claims within thirty (30) calendar days of receipt and 100% of FFS claims within sixty (60) days of receipt.	Produce a report that documents the percent of Claims processed within thirty (30) days and sixty (60) days by FFS claim receipt date.	Within thirty (30) calendar days of receipt	The damage that may be assessed shall be one hundred dollars (\$100) per day after the due date until updates are processed according to requirements.	
Adjudicate 100% of EDI clean claims within twenty-one (21) calendar days.	Produce statistical report that documents the percent of EDI claims processed, showing time periods for adjudication.	Within twenty-one (21) calendar days of processing EDI claims.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim that is not adjudicated within twenty-one (21) calendar days of receipt.	
Adjudicate 100% of clean paper claims within thirty (30) calendar days.	Produce statistical report that documents the percent of paper claims processed, showing time periods for adjudication.	Within thirty (30) calendar days of processing paper claims.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim that is not adjudicated within thirty (30) calendar days of receipt.	
Provide online notification to providers within twenty-four (24) hours of transmission.	Notify providers within twenty-four (24) hours that files have been received.	Within twenty-four (24) hours of receipt of provider files.	The damage that may be assessed shall be one hundred dollars (\$100) per day per provider that notifications are not generated.	
Ensure assignment of a unique claim reference number within one (1) business day of receipt.	Produce audit report that documents the assignment of claim reference numbers and the date received.	Within one (1) business day of claim receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per claim reference number that is not assigned within the required time period.	
Update claims data returned by providers within three (3) business days of receipt.	Produce statistical report that documents the claims data returned by providers.	Within three (3) business days of receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day per claim that is not	



LTC Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
			returned to providers within the required time period.	

#### 6.1.2.2.3.4.8. Electronic Transactions

The State of Tennessee requires medical assistance programs providers who bill claims to submit their claims electronically, unless exempted by the Bureau. Electronic transactions allow providers to submit claims either interactively using the Tennessee Web Portal accessible from their personal computers or through national standard formats in batch submission through electronic data transmission. All claims submitted through electronic transactions shall be edited against the most current enrollee, provider, and reference files/database tables. Claims shall be assigned transaction control numbers immediately upon receipt and are downloaded nightly to the TCMIS for processing. Claims failing these edits shall be rejected for correction and resubmission. The definition of electronic claims transactions, as used in this Contract, refers to prepayment editing, response, and acceptance of claims submitted online, via point-of-sale (POS) technology or direct data transfer, with adjudication of claims through pricing.

The following table lists the operational responsibilities and performance expectations that the Bureau has for electronic transactions related activities.

Electronic Transactions Table

Electronic Transactions Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Provide online response notifications to providers within sixty (60) seconds or less for interactive claims.	Produce a report with a random sample of all online interactive provider responses with the date and time the claim was received and the date and time of the response notification.	Within sixty (60) seconds or less for interactive claims.	The damage that may be assessed shall be one hundred dollars (\$100) per response that exceeds the time limitation.	
Notify providers by a confirmation notice within sixty (60) seconds or less for batch transactions through standard X12N transactions.	Produce a report with a random sample of all X12N transaction confirmation notices with the date and time the X12N transaction was received and the date and time the confirmation notice was sent.	Within sixty (60) seconds or less for batch transactions.	The damage that may be assessed shall be one hundred dollars (\$100) per response that exceeds the time limitation.	
Update the claims entry files daily with electronic transaction-submitted claims.	Produce a report of random sample of claims updated every day.	Daily	The damage that may be assessed shall be one hundred dollars (\$100) per day that the electronic transactions are not processed daily, unless approved by the Bureau.	

Electronic Transactions Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Produce and submit to the Bureau, all electronic claims submission reports by noon CST on the business day following the report run.	Publish all reports to the dashboard, or hardcopy as requested by the Bureau.	By noon CST next business day.	The damage that may be assessed shall be one hundred dollars (\$100) per report per day if not received.	
Load electronically submitted claims within one (1) business day of receipt by the Contractor.	Produce a report with a random sample of all electronically submitted claims with the date and time the claim was received and the date and time the claim was loaded.	Within one (1) business day of receipt by the Contractor.	The damage that may be assessed shall be one hundred dollars (\$100) per claim per day if not loaded.	
Process all batch submittals by 8:00 a.m. CST the day after receipt.	Produce a report with a random sample of all batch submittals with the date and time the batch was received and the date and time the batch was loaded.	Within four (4) hours after the 8:00 a.m. CST due time.	The damage that may be assessed shall be one hundred dollars (\$100) per day per batch.	

#### 6.1.2.2.3.4.9. Drug Rebate Program

The TCMIS Drug Rebate Subsystem ensures compliance with the Centers for Medicare and Medicaid Services (CMS) Drug Rebate program, established under OBRA 90. Under the Drug Rebate Program, the TennCare Program recovers cash rebates from drug manufacturers whose products are used by TennCare Program enrollees. On a quarterly basis, CMS sends a file to the State of Tennessee. This file contains National Drug Codes (NDCs), the rebate per unit amount determined by CMS using manufacturer-supplied data, and NDC correction records from previous quarters. The Drug Rebate Subsystem shall track pharmacy claims for drugs and invoices drug manufacturers using drug information and rebate amounts specified by CMS. The TCMIS shall generate quarterly invoices to drug manufacturers.

The Drug Rebate Subsystem shall maintain drug manufacturer information, records and remittance advices received from manufacturers with their rebate payments, and tracks manufacturers' adjustments and disputes, and dispute resolution. It shall also provide a crosswalk of C, J, Q, and S HCPC codes.

The Drug Rebate Subsystem shall maintain an invoice history database that contains all the NDC-level items that have been printed on the quarterly drug rebate invoices. Each entry in the database shall contain a complete audit trail of one (1) specific service quarter's NDC-level invoice item from its initial invoice to its latest appearance on an adjustment invoice. Invoice data is available for online inquiry and update. The Drug Rebate Subsystem shall allow a user to manually adjust invoice line items to assist in the adjustment and dispute resolution processes. The invoice history database shall also provide an audit trail of the manually entered adjustments and flags them for inclusion on the next adjustment invoice. Data shall be maintained on the invoice history database for a minimum of eighty-four (84) months. All disputed codes shall be kept on the database until resolved.

Drug Rebate shall automatically assess interest to the manufacturer on past-due invoice items. Interest is calculated using weekly U. S. Treasury Bill rates and is recorded at the manufacturer level. Interest shall not be calculated on items in dispute, but shall be charged after the dispute is resolved. Interest shall be charged retroactively from the date the disputed amount was originally due.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Drug Rebate related activities.

Drug Rebate Table

Drug Rebate Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Process the CMS Drug Rebate file within one (1) day of receipt.	Produce a report that lists the date the CMS drug rebate file was received and the date the CMS drug file was processed.	Within one (1) day of receipt	The damage that may be assessed shall be one hundred dollars (\$100) per file if not processed within required time period, due to Contractor issues.	
Generate invoices and send to Bureau for review within three (3) days of the completion of the drug rebate cycle.	Produce a report that lists the date when the drug rebate cycle was completed and the date the drug rebate cycle invoices were generated.	Within three (3) days of the completion of the drug rebate cycle.	The damage that may be assessed shall be one hundred dollars (\$100) per day if invoices are not sent to Bureau for review, due to Contractor issues.	
Mail invoice statements to manufacturers within sixty (60) days of the end of the calendar quarter.	Produce a report that lists the date when the drug rebate invoice statements were mailed to manufactures and the quarter for the invoice.	Within sixty (60) days after the end of the calendar quarter.	The damage that may be assessed shall be one hundred dollars (\$100) per day if invoices are not mailed due to Contractor issues	
Perform claims audits throughout the quarter. Perform invoice audits and generate report on disputed claims and invoices prior to generating CMS files. Send report to Bureau for review and approval before generation of the CMS file.	Produce a report with the dates of each audit performed throughout the quarter.	Within ten (10) business days prior to generation of CMS Quarterly file.	The damage that may be assessed shall be one hundred dollars (\$100) per day if invoice audits are not sent for review.	
Generate rebate reporting file, and send file to Bureau for review and approval, after claims and invoice audits but before generation of the CMS file.	Produce a report that lists the date when the rebate reporting file was sent to the Bureau and when CMS file was generated.	Within ten (10) business days prior to generation of CMS Quarterly file.	The damage that may be assessed shall be one hundred dollars (\$100) per day if rebate reporting data is not sent for Bureau review.	
Generate	Produce a report that	Within	The damage that	

Drug Rebate Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
manufacturer drug rebate file to CMS within ninety (90) days of the end of the calendar quarter.	lists the date when the manufacture drug rebate file was sent to CMS and the quarter for the drug rebate file sent to CMS.	ninety (90) days of the end of the calendar quarter.	may be assessed shall be one hundred dollars (\$100) per day that rebate file is late.	

#### 6.1.2.2.3.4.10. Third Party Liability (TPL)

The current Third Party Liability (TPL) Subsystem maintains comprehensive current and historical information to support the benefit recovery functions of the Tennessee TCMIS. The Bureau uses this information to reduce its liability to pay for enrollee claims. The TPL Subsystem shall ensure that the medical assistance programs are the payer of last resort. This shall be accomplished through a combination of activities, including, but not limited to: 1) cost-avoidance (denial of payment) at the beginning of claims processing, 2) post-payment billing to private insurers when cost avoidance is not possible or when retroactive TPL coverage is added or extended, 3) benefit recovery functions when retroactive TPL coverage is added or extended, and 4) recovery from deceased enrollees' estates for services that were rendered while they were eligible.

The TCMIS shall use information gathered from a number of sources to identify liability for medical services. These shall include Medicare cross-over claims, Buy-In information, file matching with other government or private programs, and data received from county offices and the Social Security Administration. Interfaces with the Bureau's child support system and the worker's compensation program shall be maintained to obtain additional information related to third-party resources.

The Contractor shall be responsible for most automated processes related to TPL. In addition, some manual TPL-related functions shall be handled by the Contractor with ongoing coordination with the Bureau, primarily in the area of federally-mandated post-payment recovery. Bureau staff have the ultimate responsibility for collection and verification of TPL, purchase of Medicare and health insurance coverage, application of (and exceptions to) TPL utilization requirements, development of policy, development and update to TPL procedures, and coordination with CMS and other State, federal, local, or private organizations.

The following table lists operational responsibilities and performance expectations the Bureau has for the TPL related activities.

TPL Table

TPL Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Process enrollee resources information received from the TPL contractor on a weekly basis.	Produce a report that lists the date when the TPL contractor information was received and the date the files were processed.	Weekly, within twenty-four (24) hours of receipt.	The damage that may be assessed shall be one hundred dollars (\$100) per day if TPL data from TPL contractor is not processed when received, due to Contractor issues.	
Update the carrier file/database table with information received from TPL contractor on a weekly basis or	Produce a report that lists the date and time when the TPL contractor information was received and the date and time the files	Within twenty-four (24) hours of receipt of a request.	The damage that may be assessed shall be one hundred dollars (\$100) per day if carrier data from	

<b>TPL Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
within twenty-four (24) hours of receipt of an updated request.	were processed.		TPL contractor is not processed when received, due to Contractor issues	
Provide monthly status summaries of post-payment recovery billings to the Bureau by the tenth (10th) day of each month.	Produce a report that lists when status summaries were created and the date when they were actually reported to the Bureau.	By the tenth (10th) day of each month.	The damage that may be assessed shall be one hundred dollars (\$100) per day if summaries are not received by required period, due to Contractor issues.	
Provide copies of document imaged claims to the Bureau within three (3) business days of request.	Produce a report that lists the date when the Bureau request was received and the date the imaged document copy was received by the Bureau.	Within three (3) business days of request.	The damage that may be assessed shall be one hundred dollars (\$100) per request of imaged document.	

#### 6.1.2.2.3.4.11. Managed Care

The Bureau is responsible for the implementation and administration of Tennessee's managed care Medicaid and Child Health Plan Plus programs.

The Managed Care Subsystem of the TCMIS shall manage:

1. The contracting of a variety of managed care entities. Managed care providers may be mental health, dental, and/or medical health providers. The various types include Managed Care Organizations (MCOs), Behavioral Health Organizations (BHO), Dental Benefits Manager (DBM), Pharmacy Benefits Manager (PBM), and the Program of All-Inclusive Care for the Elderly (PACE).
2. Eligibility and enrollment of recipients. Managed care enrollment is mandatory for all recipients, excluding QMB and SLMB.
3. Payment of monthly capitation (premiums) to managed care entities.
4. Processing of encounter claims from designated managed care entities.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Managed Care related activities.

Managed Care Table

<b>Managed Care Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Process payment rate updates prior to the next processing cycle.	Produce a report that lists the date when the rate updates were received by Contractor, the date the rates were processed, and the date of the next	Prior to the next processing cycle.	The damage that may be assessed shall be one hundred dollars (\$100) per day if payment rates are not updated prior to required period.	

Managed Care Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
	processing cycle after the rates were received.			
Process and complete managed care system cycles before the start of the following business day.	Produce audit reports to show system cycle process information.	Within four (4) hours of start of the following business day,	The damage that may be assessed shall be one hundred dollars (\$100) per day if managed care cycles are not run according to production schedule due to Contractor issues.	
Deliver all extract files within time frames specified by the Bureau.	Produce audit reports to show extract files produced and statistical information.	Within four (4) hours of the start of the following business day, or according to production schedule.	The damage that may be assessed shall be one hundred dollars (\$100) per day if extract files are not received according to required timeframes, due to Contractor issues.	

#### 6.1.2.2.3.4.12. Management and Administrative Reporting (MAR)

The TCMIS Management Reporting function shall provide information retrieval and reporting which supports policy planning, program evaluation and decision-making, fiscal planning and control, federal reporting, and operational planning and control. Information shall be retrieved from various TCMIS files/database tables for analysis and summarization.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Management Reporting functions.

MAR Table

MAR Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Deliver management reports to appropriate Bureau staff within the time frames established by the Bureau.	Produce MAR reports according to production schedule.	Monthly, within five (5) business days from expected due date.	The damage that may be assessed shall be one hundred dollars (\$100) per day if MAR reports are not received according to required timeframes, due to Contractor issues.	
Save final output files for at least twelve (12) months.	Produce a report that lists date final output files were produced	Twelve (12) month period.	The damage that may be assessed shall be one	

<b>MAR Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
	and the date when they were discarded.		hundred dollars (\$100) per day per report if MAR reports are not retained.	
Respond to Bureau requests for information about the reports with a resolution no later than three (3) business days after the request.	Produce a report that lists the date when the report request was received and the date when the report response was received.	Within three (3) business days of request.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report resolution.	
Perform necessary corrections, rerun, verify, and distribute management reports within three (3) business days of problem identification.	Reproduce corrected reports.	Within three (3) business days of problem identification.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report.	
Generate accurate CMS reports by no later than six (6) weeks prior to the federal deadline.	Produce CMS reports within required timeframe.	Within six (6) weeks prior to the federal deadline.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report that CMS reports are late due to Contractor issues.	

#### 6.1.2.2.3.4.13. Surveillance and Utilization Review (SUR)

The SUR function shall identify, report and support the investigation of potential misuse of the medical assistance programs by providers and enrollees. The Surveillance and Utilization Review Subsystem (SURS) shall create a comprehensive statistical profile of the delivery of health care services and supplies by provider and the utilization of these services and supplies by enrollee. It shall analyze historical data, develop profiles of health care delivery, and report those users whose patterns of care or utilization deviate from normative patterns of health care delivery. In addition to the identification process, the SUR function shall provide peer group and individual-level reports which support the investigative process.

This function is a management tool to allow the Bureau to evaluate the delivery and utilization of medical care, on a per-case basis, to safeguard the quality of care and to guard against fraudulent or abusive use of the Tennessee medical assistance programs, by either enrollees or providers. These functions shall be performed for the fee-for-service and the managed care programs. The Contractor shall be responsible for the operation and maintenance of the SUR subsystem of the TCMIS.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the SUR function.

SUR Table

<b>SUR Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
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<b>SUR Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Maintain the most current sixty (60) months of paid claims and encounter claims and adjustment history, and update monthly, to support SURS reporting as directed by the Bureau.	Produce a statistics report that lists information on current claims and encounter claims that are within sixty (60) months old.	Quarterly, or as required by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per day per record that is found to not be retained, and is within the required time period, due to Contractor issues	
Generate and deliver all monthly reports to the Bureau by the fifth (5th) business day following the day the SURS database was updated.	Contractor shall ensure that SURS reports are delivered by the specified timeframe.	By the fifth (5th) business day following SURS database update.	The damage that may be assessed shall be one hundred dollars (\$100) per report that is beyond the required time period, due to Contractor issues.	

#### 6.1.2.2.3.5. General System Contractor Requirements

The TCMIS Contractor shall be expected to meet all of the general requirements listed in the sections below during the term of this Contract. The general requirements apply to all phases. This list may not be all inclusive. It is the responsibility of the Contractor to ensure all General System Activities contained within this Contract meet the requirements.

Reference or Contract section – Listed below:  
A.3.20 Facilities manager General operations  
A.6 Staffing

The following table lists the Contractor's general TCMIS operational responsibilities and performance expectations that the Bureau requires.

General TCMIS Operations Table

<b>General TCMIS Operations Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Contractor shall safeguard access for data integrity according to HIPAA and state security and confidentiality requirements.	Contractor negligently allows Breach of Security.	Continually safeguard the system.	The damage that may be assessed shall be five hundred dollars (\$500) for each security / confidentiality breach occurrence.	Contractor may be further liable for any damages imposed on the Bureau by the State or federal government.
Contractor shall produce an acceptable Disaster	Contractor shall submit an acceptable Disaster Recovery Plan as required.	At contract start date, and updated annually	The damage that may be assessed shall be one hundred dollars	Liquidated damages may be assessed for



<b>General TCMIS Operations Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Recovery Plan by specified time according to project schedule.			(\$100) per calendar day for each day an acceptable Disaster Recovery Plan is not received timely, according to Project schedule.	non-compliance of performance indicator.
Contractor shall conduct demonstration of Disaster Recovery Plan	Disaster Recovery shall be demonstrated for completeness and approved by the Bureau.	According to Project Plan, then annually thereafter.	The damage that may be assessed shall be one hundred dollars (\$100) per calendar day beginning the first (1 <sup>st</sup> ) day of the month in which the disaster recovery capabilities were scheduled to have been demonstrated until the demonstration is complete and approved by the Bureau.	
Contractor shall submit an Annual Business plan for Bureau acceptance.	Acceptable Annual Business plan is submitted to Bureau.	Contract start date and annually thereafter.	The damage that may be assessed shall be one hundred dollars (\$100) per calendar day for each day an acceptable Annual Business Plan is not timely received.	
Contractor shall maintain Key Personnel according to the Contract requirements.	Contractor shall keep Bureau informed of all staffing, and periodically submit updated organization charts.	Contract start date, then at least quarterly thereafter, or as requested by the Bureau.	The damage that may be assessed shall be up to a maximum of twenty-five thousand dollars (\$25,000) per occurrence, taking into consideration the person's role and the expected impact on the system development,	

General TCMIS Operations Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
			schedule or ongoing operations.	
Contractor shall react to contract non-compliance issues.	Contractor shall work with the Bureau to correct non-compliance issues, proposing corrective action plans or other curative measures by the specified date, else the Bureau may assess liquidated damages.	Dates specified in CAPs or according to timelines required by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per business day after the due date until the non-compliance is corrected.	The Contractor may also be held responsible for any and all additional liquidated damages imposed on the Bureau by the State or federal government.
The Contractor shall work with the Bureau to comply with audit findings.	Comply with Bureau requirements as a result of audit findings.	Dates will be specified by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per day after due date.	The Contractor may also be held responsible for any and all additional liquidated damages imposed on the Bureau by the State or federal government if finding was because of Contractor negligence.

#### 6.1.2.2.3.6. Operations

The Contractor shall operate and maintain the TCMIS system and perform the Contractor responsibilities listed in the subsections below. All TCMIS and Facilities Manager functions shall be performed by the Contractor according to the State Medicaid Manual, all federal mandates, and all Bureau requirements, statutes, and regulations. This list may not be all inclusive. It is the responsibility of the Contractor to ensure all Operational Activities contained within the Contract meet the requirements.

Reference or Contract section – Listed below:

- A.1 TCMIS Takeover and Enhancements Project Management
- A.2 Transition/Implementation of Facility manager Operations
- A.3.20 Facilities Manager General operations
- A.5 General Facilities management Contractor Requirements

The following table lists the general TCMIS operations responsibilities and performance expectations that the Bureau has for the Contractor.

General Operations Expectations Table

General Operations Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Contractor shall meet the requirements as of the Start of Operations	If, for any reason, the Contractor does not fully meet the operational start date, then the Contractor may not be reimbursed for operational payments for that month and each month thereafter until the Bureau approves the start of Facilities Management and Contractor TCMIS operations.	Contract operations start date: January 1, 2009	The damage that may be assessed shall be the additional cost shall be the per claim cost difference between the cost of continuing operations with the prior Facilities Manager (after January 1, 2009).	In addition, if the Bureau has not approved the start of operations of the TCMIS as of January 1, 2009, the Contractor may be liable for all additional costs incurred by the Bureau to continue current operations.
Contractor shall accept responsibility for the accuracy of systems and operations documentation	Contractor shall maintain all documentation and comply with delivery requirements.	Contractor within thirty (30) days of Contractor start date, or within five (5) calendar days of notice, to correct documentation.	The damage that may be assessed shall be one hundred dollars (\$100) per day after due date, until corrected.	The Bureau will provide prior notice to the Contractor or Contractor Reported Information for required corrections. If not corrected within five (5) calendar days of notice, assessment may occur from date of notification to date of correction.
When a report is not delivered, not delivered in the required format or media, not delivered to the specified user, or does not contain the required number of copies.	Contractor shall be responsible for the timeliness and delivery of all reports and documentation.	Contract start date and daily thereafter	The damage that may be assessed shall be one hundred dollars (\$100) per day for each report.	

6.1.2.2.3.6.1. General Operational Responsibilities

The table on the following page lists general Bureau and Contractor responsibilities required to support the successful operation of the Tennessee TCMIS and its components. More specific requirements and

performance standards are further detailed in this Contract. Nothing listed here supersedes other specific requirements listed within this Contract.

This table lists the Contractor's manual TCMIS operation responsibilities and performance expectations that the Bureau requires.

General Manual Operations Table

General Manual Operations Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Deliver to and pick up from the Bureau, Contractor mail, reports, and other deliveries as specified by the Bureau. Pickups and deliveries shall be made once in the morning and once in the afternoon each business day, as specified by the Bureau.	Produce a daily report that lists the pick-up and delivery times.	Multiple times each business day: once in the morning and once in the afternoon, and as specified by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per occurrence for each missed carrier delivery.	Maintain a daily log and make available to the Bureau upon request.
Receive and date-stamp all Bureau mail within twenty-four (24) hours of receipt.	Produce reports that documents the number of mail pieces received daily and the number of mail pieces stamped within twenty-four (24) hours after the mail was received.	Within twenty-four (24) hours of receipt.	The damage that may be assessed shall be one hundred dollars (\$100) for each occurrence.	
Document all meetings with the Bureau in writing, summarizing the key points covered, and provide a draft of this summary to the Bureau no later than 4:30 p.m. CST the second (2 <sup>nd</sup> ) business day after the meeting.	Produce a report that lists all meetings and documents the delivery date of the meeting documentation.	By 4:30 p.m. CST the second (2 <sup>nd</sup> ) business day after the meeting.	The damage that may be assessed shall be one hundred dollars (\$100) per day for each meeting report.	This summary shall be prepared in accordance with Bureau-approved format and content criteria.
Submit status reports to the Bureau on a regular weekly schedule and on request.	Produce a report that lists the delivery date of all weekly status reports.	Weekly as scheduled.	The damage that may be assessed shall be one hundred dollars (\$100) per day for each status report.	
Provide Bureau-defined extract	Produce a report that lists all requested	Within five (5) business	The damage that may be assessed	

<b>General Manual Operations Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
files, on request, to the Bureau to support special reporting needs within five (5) business days of the date requested.	extracts, the date the extract was requested, and the date the extract was delivered.	days of the date requested.	shall be one hundred dollars (\$100) per day for each file request not delivered timely.	
Provide all Bureau-requested files and/or reports. The requested files and/or reports shall be supplied by the Contractor within five (5) business days of request.	Produce a report that lists all requested reports, the date the report was requested, and the date the report was delivered.	Within five (5) business days of the date requested	The damage that may be assessed shall be one hundred dollars (\$100) per day for each file / report.	
Deliver daily, weekly, monthly, and annual reports according to the Bureau-approved schedule and media, and in accordance with the performance expectations defined in Subsection pertaining to Reports Production Requirements.	Produce a status report that lists all reports and the date the report was delivered and media that was used, if requested by the Bureau.	Daily, weekly, monthly, and annually	The damage that may be assessed shall be one hundred dollars (\$100) per day for each report.	
Notify Bureau via email or by phone within five (5) minutes if the Contractor determines that the system is unavailable. The Contractor shall also immediately notify the Bureau via email or by phone within five (5) minutes when the system is restored.	Produce an audit report that lists all times the system was unavailable and the date and time the Bureau was notified of the system unavailability and when the Bureau was notified of the system being restored with the date and time the system was restored.	Within five (5) minutes if the Contractor determines that the system is unavailable or restored.	The damage that may be assessed shall be one hundred dollars (\$100) per day for each occurrence that the Contractor fails to notify key Bureau personnel.	

#### 6.1.2.2.3.6.2. Training Contractor Requirements

The TCMIS Contractor shall be responsible for developing and delivering a broad spectrum of comprehensive training programs and related documentation and materials. The training materials and approach shall include sufficient information for trainees to accurately and efficiently perform TCMIS related tasks. Proficiency testing, quality control reviews, and where necessary, re-training shall be the responsibility of the Contractor so that the trained personnel demonstrate expected proficiency.

The Contractor shall provide a Training Plan, updated at least annually, that describes the commitment of Contractor staff to providing annual training to all providers and ongoing training to Bureau staff, affiliates, and agents as necessary. The Bureau anticipates that the Contractor shall provide training when new system features or updates have presented significant change and shall provide a training program for new users.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Training functions.

Training Table:

<b>Training Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Conduct at least ten (10) Bureau user training sessions per month, as defined by the Bureau.	Produce a monthly report that lists the training sessions that occurred, the date the training sessions occurred, and the people that attended the training.	At least Monthly	The damage that may be assessed shall be one thousand dollars (\$1,000) per month per session if training session is not conducted, unless waived by the Bureau.	
Computer Based Training (CBT) and Web Based Training (WBT) applications shall be accessible through a secured Internet logon environment.	Training applications are available for Bureau use.	Initial training by October 31, 2008, and then twenty-four (24) hours per day, three hundred sixty-five (365) days per year thereafter with the exception of Bureau-approved system maintenance periods.	The damage that may be assessed shall be one hundred dollars (\$100) day that applications are not available due to Contractor issues.	
Provide training plans and training materials to the Bureau for review, feedback, comments.	Produce a report that lists the first date of each training session and the delivery date of the training plans and materials for each training session.	One (1) month prior to delivery of a training session.	The damage that may be assessed shall be one hundred dollars (\$100) per month that training materials / plans are not provided,	

Training Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
			unless waived by the Bureau.	
Provide the updated version of training materials to the Bureau within ten (10) business days of receipt of the identified change(s) or sooner if there is a scheduled training session that will be impacted.	Produce a report that lists any changes identified for the training materials, the date the change was identified, and the date the training materials were updated.	Within ten (10) business days of receipt of the identified change(s).	The damage that may be assessed shall be one hundred dollars (\$100) per day after due date.	
Submit a semi-annual training review report to the Bureau for approval.	Contractor shall submit a semi-annual training plan to the Bureau for approval.	Every six (6) months	The damage that may be assessed shall be one hundred dollars (\$100) per day after scheduled date.	
Submit an annual detailed Training Plan to the Bureau for approval.	Contractor shall submit a training plan as required.	Within sixty (60) days prior to the calendar year end and within three (3) business days of updating the plan as necessary.	The damage that may be assessed shall be one hundred dollars (\$100) per day after scheduled date, unless waived by the Bureau.	

#### 6.1.2.2.3.6.3. Report Production Contractor Requirements

The Bureau's need for data and information from the TCMIS cannot realistically be met by relying on static production reports. Flexible reporting capabilities shall be supported by system hardware and software components, organizational structures, telecommunication links, knowledgeable staff, and readily available accessible databases; all of which shall work together in an efficient manner.

Required reports consist of numerous reports that are required by the federal government and others which are required by the Bureau or other State agencies.

The following table lists the operational responsibilities and performance expectations that the Bureau has for Reporting functions.

Reporting Table

Reporting Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Contractor shall produce ad-hoc or other on-request reports on the	Deliver the ad-hoc report that includes the report name, and other auditable information	By the date specified in the report request, or	The damage that may be assessed shall be one hundred dollars	The Contractor may negotiate with requestor

<b>Reporting Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
date specified in the report request.	to show requirement compliance.	real time, or by 6:00 a.m. CST the following business day if a batch report request is submitted.	(\$100) per day after scheduled date.	if request date or specifications are unrealistic due to report complexity.
Contractor shall deliver all reports by specified timelines.	Produce a report that lists the report name, documents the request date of all reports, documents the delivery date of all reports, and the Bureau staff member that received the report.	Deliver reports by noon CST of the scheduled delivery date, or as directed by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per day per report that is not delivered within scheduled timeline.	
All reports, including copies, shall be examined for readability prior to delivery to the Bureau. Report data shall not be accepted in compressed format. Online reports will be formatted to split data into readable views.	For each report, delivered to the Bureau in the quantity and media, and to the user(s) specified by the Bureau	Each day	The damage that may be assessed shall be one hundred dollars (\$100) per report if not as specified.	

#### 6.1.2.2.3.6.4. Document Management

The Bureau requests that the Contractor propose a solution to the Bureau's desire to implement a central repository and document management tools to capture, store and index documentation received by both the Bureau and the Contractor. The solution shall show all claims, provider, technical, system and other pertinent documentation and utilize user-intuitive navigation and query tools.

In addition, the Bureau desires that the ability to view document images be available on Bureau staff's individual workstations. The imaging component shall provide the Bureau the capability to access all images captured in the TCMIS.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Document Management related activities.

Document Management Table

<b>Document Management Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Ensure that all documents are scanned within one (1) business	Contractor shall provide audit information related to scanning processes as	Within one (1) business day of receipt	The damage that may be assessed shall be one hundred dollars	



<b>Document Management Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
day of receipt.	requested by the Bureau, and may be audited to randomly sample documents that were scanned and the date/time when the document was received.		(\$100) per day per document for each day past the deliverable period.	
Retrieve and deliver original hardcopy documentation within two (2) business days of a request by the Bureau.	Produce hardcopy documentation as requested.	Within two (2) business days of a request by the Bureau.	The damage that may be assessed shall be one hundred dollars (\$100) per day per request for each day past the deliverable period.	
The Contractor shall generate and distribute correspondence within one (1) business day of an automated or manual request	Produce a statistical report that lists the date when a random sample of generated and distributed correspondence was received and the date of the request.	Within one (1) business day of a request.	The damage that may be assessed shall be one hundred dollars (\$100) per day per correspondence for each day past the deliverable period.	
Ensure system response times for searches of stored images shall not exceed a five (5) second average.	Contractor shall develop a method for tracking system response time and produce a report with an hourly average by day.	Within a five (5) second average	The damage that may be assessed shall be one hundred dollars (\$100) per excessive response time occurrence.	
Ensure that the document imaging system produces complete images, correctly extracts data via ICR, and correctly indexes images with an accuracy of no less than one hundred percent (100%).	The Contractor shall perform quality assurance on document imaging processes to ensure that the quality meets contractual requirements.	Each day.	The damage that may be assessed shall be one hundred dollars (\$100) per occurrence where the accuracy is less than one hundred percent (100%).	

#### 6.1.2.2.3.6.5. Operational Maintenance and Support

The Contractor shall be responsible for maintaining the TCMIS systems and providing operational support, and ensuring that the TCMIS is accessible. Operational support shall involve all processes necessary to meet the requirements outlined throughout this Contract. The Contractor shall perform all maintenance and support as a routine activity during the Operations Phase at no additional cost to the Bureau. The

Contractor shall provide sufficient technical staff to perform all routine systems maintenance responsibilities. Examples of operational support are:

- Assuring claims are received through all specified channels (interactive, batch, and paper) correctly and timely.
- Assuring the daily claims processing work including editing and adjudication of claims are conducted smoothly and efficiently.
- Correction of defects is made promptly after the Bureau's approval of the plan of correction. A defect is defined as something that does not work according to requirements, or that affects performance standards potentially causing delays in system processing.
- Extracts of historical claims are made when needed for appeals, auditors, or other Bureau projects.
- Entry of all system lists, parameter, and other table updates.
- Performing the activities requested by the Bureau via the official transmittal process.

The business analysts, who are the operational and maintenance support personnel for the system, shall be in addition to the staffing necessary for enhancement modifications tasks (see Section A.4). There shall be at least one (1) business analyst identified in this area of responsibility.

The following table lists the operational responsibilities and performance expectations that the Bureau has for the Operational maintenance and support activities.

Operational Support Table

Operational Support Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Assure all daily, on-request, weekly, monthly, quarterly, and annual cycles are run correctly and on time.	Provide cycle monitoring information as requested by the Bureau, showing the date all cycles were run and the date when the cycles were scheduled to be run.	Each day.	The damage that may be assessed shall be one hundred dollars (\$100) per occurrence where cycles are late or incorrect.	
The Contractor shall monitor all systems processing functions in order to minimize system or payment impact and improve processing.	Perform research immediately upon recognizing potential system problems in order to minimize system impact, and inform Bureau within five (5) minutes of a potential problem.	Daily monitoring. Notify Bureau within five (5) minutes if problem is identified.	The damage that may be assessed shall be one hundred dollars (\$100) per occurrence if problem is discovered and Bureau is not notified timely.	Produce a log report that lists when a system problem was discovered and when corrections actually took place.
Submit report of system errors and failures within one (1) business day of the occurrence.	Produce a report that lists the date when a system error occurred and the date when the error was reported.	Within one (1) business day of the occurrence	The damage that may be assessed shall be one hundred dollars (\$100) per day per occurrence for each day past the deliverable period.	
Proactively maintain and	Produce an audit report that lists the	When required	The damage that may be assessed	

Operational Support Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
upgrade all software and all Contractor managed hardware to support Contract uptime and response time.	date when upgrades were scheduled and the date when the updates actually were performed.		shall be one hundred dollars (\$100) per occurrence when upgrades are not maintained as required.	
Assure that all licensed products for the systems, including but not limited to, the OS, databases, and communications are upgraded to the current, stable version. These products shall not be allowed to lapse into an unsupported version.	Produce a report that lists the date when upgrades were scheduled and the date when the updates were performed.	When required.	The damage that may be assessed shall be one hundred dollars (\$100) per occurrence when upgrades or licenses are not maintained as required.	
Perform work as instructed in official transmittals. This may include extracting data from archived files.	The Contractor shall ensure that official transmittals are used when producing work orders.	As often as required.	The damage that may be assessed shall be one hundred dollars (\$100) per occurrence that the transmittals are not used.	

#### 6.1.2.2.3.7. Quality Control

The Contractor shall implement and maintain a Quality and Customer Service Assessment System. The following subsections listed below describe the Quality and Customer Service-related activities. This list may not be all inclusive. It is the responsibility of the Contractor to ensure all Quality and Customer Service activities contained within the Contract meet the requirements.

Reference or Contract section – Listed below:

A.5.4 Business Continuity and Contingency Plan (BCCP) – Disaster Recovery

A.5.5 Quality Assurance/Quality Improvement

#### 6.1.2.2.3.7.1. Quality Control – Integrated Test Facility

The integrated test facility (ITF) allows the Bureau and the Contractor to monitor the accuracy of the TCMIS and test proposed changes to the system by processing test claims and other transactions through the system without affecting normal operations. The test facility shall mirror production in its files, databases, processing, and reporting. The test facility shall allow for end-to-end testing, from claims entry through the financial and reporting cycles. All system and integration testing shall be performed elsewhere.

The following table lists the operational responsibilities and performance expectations relating to quality control functions.

Quality Control Table

Quality Control Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Provide all test outputs within the time period determined by the Bureau.	Produce test output. Also produce an audit report that lists the date when test output was received and the date when the test output was scheduled to be received.	As specified according to the project schedule.	The damage that may be assessed shall be one hundred dollars (\$100) per day per scheduled test output for each day past the deliverable period.	
Prepare and submit to the Bureau for review a corrective action plan for deficiencies.	To remedy a defect, the Contractor shall submit a CAP that documents the date and remedial activity that will be done within a certain timeframe.	Within two (2) business days of identification of a defect.	The damage that may be assessed shall be one hundred dollars (\$100) per occurrence that the CAP is not received.	
The Contractor shall implement the Bureau-approved corrective action plan within the agreed-upon time frame.	The defect is corrected within the specified timeframe.	Within the agreed-upon time frame.	The damage that may be assessed shall be one hundred dollars (\$100) per day that the CAP remedy exceeds the agreed-upon timeframe.	
The Contractor shall correct all deficiencies within the established time frame.	Deficiencies are corrected within timeframes specified.	Within the agreed-upon time frame.	The damage that may be assessed shall be one hundred dollars (\$100) per day that deficiencies are not corrected.	
The Contractor shall provide a report relating to the test cycle against actual processing results, within the agreed-upon time frame.	Provide information relating to test cases versus actual results.	Within the agreed-upon time frame.	The damage that may be assessed shall be one hundred dollars (\$100) per day.	
Contractor shall submit documentation for each step of the System Development	SDLC documentation is submitted within the specified timeframes.	One (1) week prior to scheduled implementation.	The damage that may be assessed shall be one hundred dollars (\$100) per day that the SDLC is	

Quality Control Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
Life Cycle (SDLC). Final system documentation shall be submitted for approval one (1) week prior to scheduled implementation.			late.	

#### 6.1.2.2.3.8. System Availability and Interfaces

The TCMIS System, and all of its subsystems and components, shall remain available for claims transactions and for exchanging information through the system Interfaces. Below is a listing of Primary Subsystems and Interfaces. This list may not be all inclusive. It is the responsibility of the Contractor to ensure all Subsystems and Interfaces contained within this Contract meet availability requirements.

Reference or Contract section – Listed below:  
A.5.5 Quality Assurance/Quality Improvement

The following table lists the operational responsibilities and performance expectations relating to TCMIS system availability.

System Availability Table

System Availability Commitments	Performance Indicators	Deliverable Period	Liquidated Damages	Additional Assessment Criteria
The Contractor shall ensure that the TCMIS online access is available within normal business hours each day.	TCMIS disconnections shall not be longer than five (5) minutes in a single occurrence. The Bureau or Contract Administrator shall be notified when connectivity is restored and System availability is verified.	If TCMIS online connectivity is lost for more than five (5) minutes.	The damage that may be assessed shall be five hundred dollars (\$500) per normal working hour, or any part of a normal working hour thereof, when the network connection is lost. Total damages may not exceed twenty thousand dollars (\$20,000) per week.	The Contractor shall notify the Bureau of system unavailability.
Process all interface files (input and output) within specified timeframes according to functional area requirements.	The Contractor shall maintain daily control log of outgoing and incoming files.	Each day	The damage that may be assessed shall be one hundred dollars (\$100) per day that the SDLC is late.	
Ensure that all	The Contractor shall	Daily, or as	The damage that	The Contractor

<b>System Availability Commitments</b>	<b>Performance Indicators</b>	<b>Deliverable Period</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
interface files comply with HIPAA standards and transaction code set rules.	report to the Bureau of any file exchanges that are not HIPAA compliant.	interface data is exchanged	may be assessed shall be one hundred dollars (\$100) per occurrence that files are not HIPAA compliant, if due to Contractor issue.	may be responsible for any related damages imposed on the Bureau.

#### 6.1.2.2.3.9. Deliverables

The Contractor shall be required to submit to the Bureau certain Deliverables during the Transition and Implementation activities, and during the creation and implementation of the system Enhancements. The Liquidated Damages listed in the previous sections shall apply to ensure timely and accurate completion of all Deliverables. This list may not be all inclusive. It is the responsibility of the Contractor to ensure all Transition, Implementation and Enhancement activities, requirements and Deliverables contained within this Contract meet the requirements for timeliness and accuracy.

Liquidated Damages imposed on Deliverables are referenced in Deliverables Timeline Table this Section. All deliverables shall be assessed by timeliness of the deliverable, and accuracy of the deliverable.

A Liquidated damage assessment for timeliness shall be measured from the expected completion date to the actual completion date, and may be one hundred dollars (\$100) per day after due date, until corrected.

A Liquidated damage for accuracy shall be measured from the time the Contractor is given prior notice (or Contractor reported the inaccuracy), until five (5) calendar days after notice is given. The assessment may occur from this date (notification date plus 5 days), to the date of correction. The liquidated damage assessment for accuracy may be one hundred dollars (\$100) per day until correction is received.

Liquidated damage assessments for Deliverables are as follows:

<b>Deliverable</b>	<b>Liquidated Damages</b>	<b>Additional Assessment Criteria</b>
Timeliness of Reports/Recommendations	The damage that may be assessed shall be one hundred dollars (\$100) per day.	When a report is not delivered, not delivered in the required format or media, not delivered to the specified user, or does not contain the required number of copies.
Accuracy of Reports/Recommendations	The damage that may be assessed shall be one hundred dollars (\$100) per day per report.	Prior Notice to Contractor or Contractor Reported Information Required. If not corrected within five (5) calendar days of notice, assessment may occur from date of notification to date of corrected report delivery.